UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

001-38875
(Commission file number)

Greenlane Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	83-0806637
State or other jurisdiction of incorporation or organization	**(I.R.S. Employer Identification No.)**
1095 Broken Sound Parkway, Suite 100 Boca Raton, FL	33487
(Address of principal executive offices)	**(Zip Code)**

(877) 292-7660
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	GNLN	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 14, 2025, Greenlane Holdings, Inc. had 1,020,626,650 shares of Class A common stock outstanding

GREENLANE HOLDINGS, INC.

TABLE OF CONTENTS

PART I

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

GREENLANE HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2025 (unaudited)	December 31, 2024
ASSETS		
Current assets		
Cash	$ 8,516	$ 899
Accounts receivable, net of allowance of $2,076 and $2,616 at March 31, 2025 and December 31, 2024, respectively	4,899	4,262
Escrow receivable	1,707	—
Inventories, net	14,314	14,215
Vendor deposits	2,717	3,091
Other current assets	1,414	1,305
Total current assets	33,567	23,772
Property and equipment, net	1,330	1,420
Operating lease right-of-use assets	815	1,043
Other assets	2,392	2,396
Total assets	$ 38,104	$ 28,631
LIABILITIES		
Current liabilities		
Accounts payable	$ 9,905	$ 9,787
Accrued expenses and other current liabilities	1,732	1,218
Customer deposits	2,529	2,661
Current portion of notes payable	—	7,674
Current portion of operating leases	780	926
Total current liabilities	14,946	22,266
Operating leases, less current portion	—	83
Total long-term liabilities	—	83
Total liabilities	14,946	22,349
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock, $0.01 par value per share, 600,000,000 shares authorized, 8,336,953 and 2,267,124 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	83	21
Class B common stock, $0.0001 par value per share, 30,000,000 shares authorized, and 0 shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Additional paid-in capital	301,755	281,074
Accumulated deficit	(278,796)	(274,929)
Accumulated other comprehensive income	265	265
Total stockholders' equity attributable to Greenlane Holdings, Inc.	23,307	6,431
Non-controlling interest	(149)	(149)
Total stockholders' equity	23,158	6,282
Total liabilities and stockholders' equity	$ 38,104	$ 28,631

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2025	**2024**
Net sales	$ 1,469	$ 4,926
Cost of sales	748	3,414
Gross profit	721	1,512
Operating expenses:		
Salaries, benefits and payroll taxes	1,267	2,946
General and administrative	2,823	2,292
Depreciation and amortization	106	254
Total operating expenses	4,196	5,492
Loss from operations	(3,475)	(3,980)
Other income (expense), net:		
Interest expense	(391)	(522)
Other income (expense), net	(1)	11
Total other expense, net	(392)	(511)
Loss before income taxes	(3,867)	(4,491)
Provision for (benefit from) income taxes	—	—
Net loss	(3,867)	(4,491)
Less: Net loss attributable to non-controlling interest	—	—
Net loss attributable to Greenlane Holdings, Inc.	$ (3,867)	$ (4,491)
Net loss attributable to Class A common stock per share - basic and diluted	$ (0.32)	$ (12.65)
Weighted-average shares of Class A common stock outstanding - basic and diluted	12,178,170	354,943
Other comprehensive income:		
Foreign currency translation adjustments	—	2
Comprehensive loss	(3,867)	(4,489)
Less: Comprehensive loss attributable to non-controlling interest	—	—
Comprehensive loss attributable to Greenlane Holdings, Inc.	$ (3,867)	$ (4,489)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands, except share amounts)

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance December 31, 2024	2,267,124	$ 21	$ 281,074	$ (274,929)	$ 265	$ (149)	$ 6,282
Net loss	—	—	—	(3,867)	—	—	(3,867)
Exercise of Class A warrants	1,185,768	13	—	—	—	—	13
Issuance of Class A shares and warrants	4,884,061	49	20,681	—	—	—	20,730
Balance March 31, 2025	8,336,953	$ 83	$ 301,755	$ (278,796)	$ 265	$ (149)	$ 23,158

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance December 31, 2023	338,721	$ 3	$ 268,165	$ (257,289)	$ 245	$ (132)	$ 10,992
Net loss	—	—	—	(4,491)	—	—	(4,491)
Equity-based compensation	16,727	—	86	—	—	—	86
Issuance of Class A shares	37,636	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	2	—	2
Balance March 31, 2024	393,084	$ 4	$ 268,250	$ (261,780)	$ 247	$ (132)	$ 6,589

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2025	**2024**
Cash Flows from Operating Activities:		
Net loss	$ (3,867)	$ (4,491)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	106	254
Equity-based compensation expense	—	86
Accretion of debt discount	284	—
Change in provision for doubtful accounts	(12)	(7)
Changes in operating assets and liabilities:		
Accounts receivable	(625)	(55)
Inventories	(99)	2,210
Vendor deposits	374	(195)
Other current assets	(107)	446
Accounts payable	117	807
Accrued expenses and other liabilities	516	864
Customer deposits	(132)	—
Net used in provided by operating activities	(3,445)	(81)
Cash flows from Investing Activities:		
Purchases of property and equipment, net	(16)	(135)
Net cash used in investing activities	(16)	(135)
Cash flows from Financing Activities:		
Proceeds from issuance of Class A common stock and warrants	19,036	—
Repayments of notes payable	(7,958)	—
Proceeds from future receivables financing	—	225
Repayments of loan against future accounts receivable	—	(307)
Other	—	(10)
Net cash provided by (used in) financing activities	11,078	(92)
Effects of exchange rate changes on cash	—	2
Net increase (decrease) in cash	7,617	(306)
Cash as of beginning of the period	899	463
Cash as of end of the period	$ 8,516	$ 157

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)
(in thousands)

Supplemental disclosures of cash flow information				
Cash paid for interest	$	107	$	444

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1. BUSINESS OPERATIONS AND ORGANIZATION

Organization

Greenlane Holdings, Inc. ("Greenlane" and, collectively with the Operating Company (as defined below) and its consolidated subsidiaries, the "Company", "we", "us", and "our") was formed as a Delaware corporation on May 2, 2018. We are a holding company that was formed for the purpose of completing an underwritten initial public offering ("IPO") of shares of our Class A common stock, $0.01 par value per share ("Class A common stock"), in order to carry on the business of Greenlane Holdings, LLC (the "Operating Company"). The Operating Company was organized under the laws of the state of Delaware on September 1, 2015, and is based in Boca Raton, Florida. Unless the context otherwise requires, references to the "Company" refer to us, and our consolidated subsidiaries, including the Operating Company.

We merchandise premium cannabis accessories, child-resistant packaging, specialty vaporization solutions and lifestyle products in the United States, Canada, Europe and Latin America, serving a diverse and expansive customer base with thousands of retail locations, licensed cannabis dispensaries, smoke shops, multi-state operators ("MSOs"), specialty retailers, and retail consumers.

We have been developing a portfolio of our own proprietary brands (the "Greenlane Brands") that we believe will, over time, deliver higher margins and create long-term value for our customers and shareholders. Our wholly-owned Greenlane Brands includes Groove – our more affordable product line and Higher Standards – our premium smoke shop and ancillary product brand, and our award winning Vapor.com website and brand. We also have category exclusive licenses for the premium Marley Natural branded products, as well as the K.Haring branded products.

We are the sole manager of the Operating Company and our principal asset is Common Units of the Operating Company ("Common Units"). As the sole manager of the Operating Company, we operate and control all of the business and affairs of the Operating Company, and we conduct our business through the Operating Company and its subsidiaries. We have a board of directors and executive officers, but no employees. All of our assets are held and all of the employees are employed by wholly owned subsidiaries of the Operating Company.

We have the sole voting interest in, and control the management of, the Operating Company, and we have the obligation to absorb losses of, and receive benefits from the Operating Company that could be significant. We determined that the Operating Company is a variable interest entity ("VIE") and that we are the primary beneficiary of the Operating Company. Accordingly, pursuant to the VIE accounting model, beginning in the fiscal quarter ended June 30, 2019, we consolidated the Operating Company in our consolidated financial statements and reported a non-controlling interest related to the Common Units held by the members of the Operating Company (other than the Common Units held by us) on our consolidated financial statements.

Our corporate structure is commonly referred to as an "Up-C" structure. The Up-C structure allows the Operating Company to continue to realize tax benefits associated with owning interests in an entity that is treated as a partnership, or "pass-through" entity. One of these benefits is that future taxable income of the Operating Company that is allocated to its members will be taxed on a flow-through basis and therefore will not be subject to corporate taxes at the Operating Company entity level. Additionally, because a member may redeem their Common Units for shares of Class A common stock on a one-for-one basis or, at our option, for cash, the Up-C structure also provides the member with potential liquidity that holders of non-publicly traded limited liability companies are not typically afforded.

In connection with the IPO, we entered into a Tax Receivable Agreement (the "TRA") with the Operating Company and the Operating Company's members and a Registration Rights Agreement (the "Registration Rights Agreement") with the Operating Company's members. The TRA provides for the payment by us to the Operating Company's member(s) of 85.0% of the amount of tax benefits, if any, that we may actually realize (or in some cases, are deemed to realize) as a result of (i) the step-up in tax basis in our share of the Operating Company's assets resulting from the redemption of Common Units under the mechanism described above and (ii) certain other tax benefits attributable to payments made under the TRA. Pursuant to the Registration Rights Agreement, we have agreed to register the resale of shares of Class A common stock that are issuable to the Operating Company's members upon redemption or exchange of their Common Units.

The A&R Charter and the Fourth Amended and Restated Operating Agreement of the Operating Company (the "Operating Agreement") require that (a) we at all times maintain a ratio of one Common Unit owned by us for each share of our Class A common stock issued by us (subject to certain exceptions), and (b) the Operating Company at all times maintains (i) a one-to-one ratio between the number of shares of our Class A common stock issued by us and the number of Common Units owned by us, and (ii) a one-to-one ratio between the number of shares of our Class B common stock owned by the non-founder members of the Operating Company and the number of Common Units owned by the non-founder members of the Operating Company.

Liquidity and Going Concern

Our primary requirements for liquidity and capital are working capital, debt service related to recent acquisitions and general corporate needs. Our primary sources of liquidity are our cash on hand and the cash flow that we generate from our operations, as well as proceeds from other equity issuances.

The Company has incurred net losses of $3.9 million and $4.5 million for the three months ended March 31, 2025 and 2024, respectively. For the three months ended March 31, 2025 and 2024, cash used in operating activities were $3.4 million and $0.1 million, respectively. The recent macroeconomic environment has caused weaker demand than contemplated under the Company's business plan, resulting in a reduction in projected revenue and cash flows for the twelve-month period included in the going concern evaluation.

We believe that our cash on hand that includes cash raised in the February 2025 Private Placement and the cash flow that we generate from our operations will be sufficient to fund our working capital and capital expenditure requirements, as well as our debt repayments and other liquidity requirements associated with our existing operations, for the next 12 months. Based on our cash on hand and working capital at March 31, 2025, we expect to have sufficient cash to fund planned operations through the second quarter of 2026. This is largely due to the Company's Private Placement that occurred on February 19, 2025. See Note 9 for more information.

Moving forward, the Company's ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve the Company's liquidity and profitability, which includes, without limitation:

- Further reducing operating costs expense by taking additional restructuring actions to align cost with revenue to achieve profitability.
- Increasing revenue by introducing new products and acquiring new customers.
- Execute on strategic partnerships accretive to margins and operating cash
- Seeking additional capital through the issuance of debt or equity securities.

The consolidated financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty. For a more complete description of our initiatives, see below and the Management Discussion and Analysis.

Common Stock and Warrant Offerings.

On August 7, 2024, the Company issued a note (the “Note”) in the principal amount of $3,237,269 to Cobra. The Note was due the earlier of (i) February 5, 2025; or (ii) the Company’s receipt of at least $3,500,000 of gross proceeds from an offering of their securities (a “Qualified Offering”) and contain a 20% original issue discount. The Notes were convertible into common stock after maturity if not paid prior. In connection with the issuance of the Note, the Company issued the Investor warrants to purchase up to 1,618,635 shares at the Qualified Offering Price. The Note was repaid in full in February 2025 in the amount of $4.0 million.

On August 12, 2024, the Company entered into a securities purchase agreement with a single institutional investor for aggregate gross cash proceeds of $6.5 million. In connection with the private placement, the Company issued an aggregate of 2,363,637 units and pre-funded units. The pre-funded units were sold at the same purchase price as the units, less the pre-funded warrant exercise price of $0.001. Each unit and pre-funded unit consisted of one share of common stock (or one pre-funded warrant) and two common warrants, each exercisable for one share of common stock at an exercise price of $2.50 per share. The common warrant will be exercisable on the initial exercise date described in the common warrant and will expire 5.0 years from such date. In February 2025, the Company exchanged 4,587,274 two and one-half (2.5) year warrants with an exercise price of $2.98 per share. See Note 9 for more information.

Future Receivables Financings

In July, August, October, and November 2023, the Company received an aggregate of approximately $3.9 million in cash pursuant to the terms of future receivables financings (collectively, the “Future Receivables Financings”) entered into with two private lenders the “Future Receivables Financings”). During the year ended December 31, 2024, the Company’s financings were in a series of transactions refinanced as they were not able to make the proscribed monthly payments for the repayment of cash advances. As such the refinancings and the payment schedule was restructured and the total balance increased to $4.6 million which included deferred financing fees of approximately $2.8 million.

During the year ended December 31, 2024, the Future Receivables Financings were purchased by the Senior Subordinated Lender and paid down to $0 during the October 29, 2024 restructuring.

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender, whereby the Company agreed to exchange an aggregate of $4,617,307 of debt originally owed to Agile Capital Funding LLC and Cedar Advance LLC in a 3(a)(9) exchange for new Senior Subordinated Notes in the principal amount of $4,000,000 due one year from issuance (the “Exchange Note”), reducing outstanding indebtedness by approximately $617,000. The Exchange Note was convertible at the option of the holder at $3.17 per share. In connection with the Exchange, the Company issued an aggregate of 1,261,830 five year warrants with an exercise price of $3.04 per share (the “Exchange Warrants”). In February 2025 the Company repaid the Senior Subordinated Lender in full in the amount of $4.0 million. In February 2025, the Company exchanged 1,541,830 two and one-half (2.5) year warrants with an exercise price of $2.98 per share for the Series B warrants issued in the February 2025 private placement. See Note 9 for more information.

On February 18, 2025, the Company entered into definitive agreements with institutional investors for the purchase and sale of approximately $25.0 million of shares of the Company’s Class A common stock (“Common Stock”) and investor warrants at a price of $1.19 per Common Unit (“the 2025 Offering”). The entire transaction has been priced at the market under Nasdaq rules.

The offering consisted of the sale of Common Units (or “Pre-Funded Units”), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $1.4875 (“Series A Warrant”) and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2.975 (“Series B Warrant” and together with the Series A Warrant, the “Warrants”). The initial exercise price of each Series A Warrant is $1.4875 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is $2.975 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

Also, on February 18, 2025, the Company entered into an Exchange Agreement with certain holders (the “Holders”) of three tranches of warrants to purchase Common Stock previously issued by the Company in August 2024 and October 2024. Under such Exchange Agreement, such Holders exchanged with the Company such existing warrants for approximately 6.1 million new warrants to purchase common stock, substantially in the form of the Series B Warrants.

Secured Bridge Loan

On September 22, 2023, the Company entered into a secured loan pursuant to a Loan and Security Agreement (the “September 2023 Loan Agreement”), dated as of September 22, 2023 with Synergy Imports, LLC (the “Secured Bridge Loan Lender”).

Pursuant to the September 2023 Loan Agreement, the Secured Bridge Loan Lender agreed to make available to the Company a six-month bridge loan of $2.2 million in new funds. Additionally, the Secured Bridge Loan Lender agreed to defer payments totaling $2,028,604 already owed by the Company under existing payment obligations and potentially defer up to an additional $2,655,778 which may become due pursuant to existing agreements during the term of the September 2023 Loan Agreement.

Subject to certain exceptions, the Company agreed to pledge all of its assets, with the exception of deposit accounts and accounts receivable, as collateral. Additionally, the Company agreed to transfer one US patent and two related foreign patents and a related trademark in exchange for an exclusive license back of such assets in the area of smoking products and accessories in connection with the September 2023 Loan Agreement.

In May 2024, the Company modified its debt agreement with Synergy to reduce the principal balance due by $2.7 million from $5.1 million as part of the Loan Modification Agreement concurrent with the Asset Purchase Agreement. Synergy acquired certain assets from the Company in exchange for the reduction in overall principal owed. During 2024 Cobra acquired the Secured Bridge Loan from the Secured Bridge Loan Lender which was restructured as part of the Note Amendment on October 29, 2024.

Note Payable

On June 7, 2024, the Company entered into a subscription agreement with Cobra Alternative Capital Strategies, LLC (the “Subscription Agreement”). As of December 31, 2024, the Company has been loaned $3.1 million with net cash proceeds of $2.6 million pursuant to the Subscription Agreement. The note was issued with a 20% original issue discount and is due in full on December 7, 2024. See “Note 6 - Long Term Debt” for more information. During the year ended December 31, 2024, the Company repaid the amount in full.

On August 7, 2024, the Company issued a note (the “Note”) in the principal amount of $3,237,269 to Cobra. The Note is due the earlier of (i) February 5, 2025; or (ii) the Company’s receipt of at least $3,500,000 of gross proceeds from an offering of their securities (a “Qualified Offering”) and contain a 20% original issue discount. The Notes are convertible into common stock after maturity if not paid prior. In connection with the issuance of the Note, the Company issued the Investor warrants to purchase up to 1,618,635 shares at the Qualified Offering Price.

On October 29, 2024, the Company entered into the First Amendment to Amended and Restated Secured Promissory Note (the “Note Amendment”) with Cobra. Pursuant to the Note Amendment, Cobra agreed to extend the Maturity Date of its Secured Bridge Loan and the Subscription Agreement (together the “Notes”). The new Maturity Date was changed to October 29, 2025. In consideration for the extension, the Company (i) agreed to make such Notes convertible at the option of Cobra with a conversion price of $3.17 per share, (ii) agreed to prepay Cobra’s debt with 50% of any money raised by the Company from warrant exercise proceeds and from capital raise transactions, and (iii) issued Cobra an aggregate of 500,000 five year warrants with an exercise price of $3.04 per share which are identical to the Exchange Warrants. This loan was repaid in full as part of the February 2025 Private Placement.

Management Initiatives

We have completed several initiatives to optimize our working capital requirements. We launched Groove, a new, innovative Greenlane Brands product line, and we also rationalized our third-party brands product offering, which enables us to reduce inventory carrying costs and working capital requirements.

In April 2023, we entered into two strategic partnerships. First, we entered into a strategic partnership (the “MJ Packaging Partnership”) with A&A Global Imports d/b/a MarijuanaPackaging.com (“MJ Pack”), a leading provider of packaging solutions to the cannabis industry.

Second, we entered into a strategic partnership with an affiliate of one of our existing vape suppliers (“Vape Partner”) to service certain key customers with vaporizer goods and services (the “Vape Partnership”). As part of the Vape Partnership, we will introduce our Vape Partner to certain key customers, assist with the promotion and the sale of certain vaporizer goods and services, and help coordinate the logistics, storage and distribution of such vaporizer products. If our Vape Partner and key customer(s) enter into a direct relationship, the customers would directly purchase vaporizer goods and services, which we currently sell them, directly from our Vape Partner and we would no longer need to purchase such vape inventory on behalf of such key customer(s). In exchange we would earn quarterly and annual commission payments from our strategic partner. While the strategic partnership may result in a decrease in top line revenue for these packaging and vape products, this partnership combined with some of our other restructuring initiatives should allow us to reduce our overall cost-structure and enhance our margins, thereby improving our balance sheet.

We have successfully renegotiated many of our vendor and supplier partnership terms and are continuing to improve working capital arrangements with our vendors and suppliers. We have made progress consolidating and streamlining our office, warehouse, and distribution operations footprint. We have reduced our workforce significantly to reduce costs and align with our revenue projections.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2024. The condensed consolidated results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, or any other future annual or interim period. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments necessary for a fair statement of the Company’s financial position and operating results. Certain reclassifications have been made to prior year amounts or balances to conform to the presentation adopted in the current year.

Principles of Consolidation

Our condensed consolidated financial statements include our accounts, the accounts of the Operating Company, and the accounts of the Operating Company’s consolidated subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

Conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts in our consolidated financial statements and accompanying notes. These estimates form the basis for judgments we make about the carrying values of our assets and liabilities, which are not readily apparent from other sources. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. U.S. GAAP requires us to make estimates and judgments in several areas. Such areas include, but are not limited to the following: the collectability of accounts receivable; the allowance for slow-moving or obsolete inventory; the realizability of deferred tax assets; the useful lives of property and equipment; the calculation of our VAT taxes receivable and VAT taxes, fines, and penalties payable; our loss contingencies, including our TRA liability; and the valuation and assumptions underlying equity-based compensation. These estimates are based on management's knowledge about current events and expectations about actions we may undertake in the future. The actual results could differ materially from those estimates.

Segment Reporting

We manage our global business operations through our operating and reportable business segments. As of March 31, 2025, we determined that we have one reportable operating business segment. Our reportable segment has been identified based on how our chief operating decision maker ("CODM"), which is a committee comprised of our Chief Executive Officer ("CEO") and our Chief Financial and Legal Officer ("CFO"), manages our business, makes resource allocation and operating decisions, and evaluates operating performance.

Revenue Recognition

Revenue is recognized when customers obtain control of goods and services promised by us. Revenue is measured based on the amount of consideration that we expect to receive in exchange for those goods or services, reduced by promotional discounts and estimates for return allowances and refunds. Taxes collected from customers for remittance to governmental authorities are excluded from net sales.

We generate revenue primarily from the sale of finished products to customers, whereby each product unit represents a single performance obligation. We recognize revenue from product sales when the customer has obtained control of the products, which is either at point of sale or delivery to the customer, depending upon the specific terms and conditions of the arrangement, or at the point of sale for our retail store sales. We provide no warranty on products sold. Product warranty is provided by the manufacturers. For certain product offerings such as child-resistant packaging, closed-system vaporization solutions and custom-branded retail products, we may receive a deposit from the customer (generally 25% - 50% of the total order cost, but the amount can vary by customer contract) when an order is placed by a customer. We typically complete these orders within one to six months from the date of order, depending on the complexity of the customization and the size of the order, but the completion timeline can vary by product type and terms of sales with each customer. See "Note 8—Supplemental Financial Statement Information" for a summary of changes to our customer deposits liability balance during the three months ended March 31, 2025 and the year ended December 31, 2024.

We estimate product returns based on historical experience and record them as a refund liability that reduces the net sales for the period. We analyze actual historical returns, current economic trends and changes in order volume when evaluating the adequacy of our sales returns allowance in any reporting period. Our liability for returns, which is included within "Accrued expenses and other current liabilities" in our consolidated balance sheets, was approximately \$0.1 million and \$0.1 million as of March 31, 2025 and December 31, 2024, respectively.

We elected to account for shipping and handling expenses that occur after the customer has obtained control of products as a fulfillment activity in cost of sales. Shipping and handling fees charged to customers are included in net sales upon completion of our performance obligations. We apply the practical expedient provided for by the applicable revenue recognition guidance by not adjusting the transaction price for significant financing components for periods less than one year. We also apply the practical expedient provided by the applicable revenue recognition guidance based upon which we generally expense sales commissions when incurred because the amortization period is one year or less. Sales commissions are recorded within "Salaries, benefits and payroll tax expenses" in the consolidated statements of operations and comprehensive loss.

The Company transitioned to a commission revenue model for the majority of the sales for the Industrial segment. The company operates as a sales agent servicing vape customers and receives a commission for these services. The company was previously working directly with these customers and recognizing gross revenue versus straight commission revenue. The Company recognizes this fee on a periodic basis when the products have been shipped for the end consumer. In working with their partner, the Company is not responsible for fulfilling a promise to provide the specified goods, does not establish the pricing with its partners customers, and does not have control over the goods that will be shipped. As such, the Company is an agent and recognizes its revenue on a net basis for its service. The partner company pays Greenlane a negotiated percentage-based fee on a quarterly basis.

Three customers represented approximately 51% and one customer represented 28% of net sales for the three months ended March 31, 2025 and 2024, respectively.

Recently Adopted Accounting Guidance

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740)*: *Improvements To Income Tax Disclosures,* to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this Update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Recently issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in ASU 2024-03 require a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors (i) better understand the entity's performance, (ii) better assess the entity's prospects for future cash flows, and (iii) compare an entity's performance over time and with that of other entities. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2024-03.

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2024. Management has carefully considered the new pronouncements that altered generally accepted accounting principles and does not believe that any other new or modified principles will have a material impact on the Company's reported financial position or operations in the near term.

NOTE 3. BUSINESS ACQUISITIONS AND DISPOSITIONS

EU Subsidiary Purchase Agreement

In May 2024, the Company entered into an agreement with a group of individuals to sell 100% equity interests of one of the Company's wholly-owned subsidiaries, Shavita B.V. and substantially all of the assets of ARI Logistics B.V. As of March 31, 2025, the close of the transaction is in dispute as there was pending consideration obligations due to be transferred to the Company not met, as well as other monetary obligations of the purchasers that remain unsatisfied. As a result the Company did not record a sale of the business under ASC 805. *Business Combinations*. The Company intends to vigorously pursue its claims against Shavita and the purchaser group. As of March 31, 2025, the Company continues to run the operations, however sales were not material for the three months ended March 31, 2025 and 2024.

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Equity Securities Without a Readily Determinable Fair Value

Our investment in equity securities without readily determinable fair value consist of ownership interests in Airgraft Inc., Sun Grown Packaging, LLC ("Sun Grown") and Vapor Dosing Technologies, Inc. ("VIVA"). We determined that our ownership interests do not provide us with significant influence over the operations of these investments. Accordingly, we account for our investments in these entities as equity securities.

Airgraft Inc., is a private entity and their equity securities do not have a readily determinable fair value. We elected to measure these equity securities under the measurement alternative election at cost minus impairment, if any, with adjustments through earnings for observable price changes in orderly transactions for the identical or similar investment of the same issuer. We did not identify any fair value adjustments related to these equity securities during the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025 and December 31, 2024, the carrying value of our investment in equity securities without a readily determinable fair value was approximately $1.9 million, respectively, included within "Other assets" in our condensed consolidated balance sheets.

NOTE 5. LEASES

Greenlane as a Lessee

As of March 31, 2025, we had facilities financed under operating leases consisting of warehouses and offices with lease term expirations in 2026. Lease terms are generally three to seven years for warehouses and office space. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table provides details of our future minimum lease payments under operating lease liabilities recorded in our condensed consolidated balance sheet as of March 31, 2025. The table below does not include commitments that are contingent on events or other factors that are currently uncertain or unknown.

(in thousands)	Operating Leases
Remainder of 2025	$ 710
2026	81
Total minimum lease payments	$ 791
Less: imputed interest	(11)
Present value of minimum lease payments	$ 780
Less: current portion	780
Long-term portion	$ —

Rent expense under operating leases was approximately $0.5 million and $0.3 million for the three months ended March 31, 2025 and 2024, respectively.

The following expenses related to our operating leases were included in "general and administrative" expenses within our condensed consolidated statements of operations and comprehensive loss:

	For the three months ended March 31,	
(in thousands)	2025	2024
Operating lease cost	502	265
Variable lease cost	—	—
Total lease cost	$ 502	$ 265

The table below presents lease-related terms and discount rates as of March 31, 2025:

	Operating Leases
Weighted average remaining lease terms	0.75 years
Weighted average discount rate	2.3%

NOTE 6. DEBT

Our debt balance, excluding operating lease liabilities and finance lease liabilities, consisted of the following amounts at the dates indicated:

(in thousands)	March 31, 2025	December 31, 2024
Note Payable	$ —	$ 3,674
Exchange Note	—	4,000
	—	7,674
Less unamortized debt issuance costs	—	—
Less current portion of debt	—	(7,674)
Debt, net, excluding operating and finance leases and liabilities	$ —	$ —

Future Receivables Financings

In July, August, October, and November 2023, the Company received an aggregate of approximately $3.9 million in cash pursuant to the terms of future receivables financings (collectively, the “Future Receivables Financings”) entered into with two private lenders the “Future Receivables Financings”). During the year ended December 31, 2024, the Company’s financings were in a series of transactions refinanced as they were not able to make the proscribed monthly payments for the repayment of cash advances. As such the refinancings and the payment schedule was restructured and the total balance increased to $4.6 million which included deferred financing fees of approximately $2.8 million.

During the year ended December 31, 2024, the Future Receivables Financings were purchased by the Senior Subordinated Lender and paid down to $0 during the October 29, 2024 restructuring.

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender, whereby the Company agreed to exchange an aggregate of $4,617,307 of debt originally owed to Agile Capital Funding LLC and Cedar Advance LLC in a 3(a)(9) exchange for new Senior Subordinated Notes in the principal amount of $4,000,000 due one year from issuance (the “Exchange Note”), reducing outstanding indebtedness by approximately $617,000. The Exchange Note is convertible at the option of the holder at $3.17 per share. In connection with the Exchange, the Company issued an aggregate of 1,261,830 five year warrants with an exercise price of $3.04 per share (the “Exchange Warrants”).

The Company evaluated the Exchange Agreement under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Exchange Agreement should be accounted for as an extinguishment and the Company recorded the Exchange Agreement debt instrument at fair value which included the consideration in common stock warrants transferred. The resulting loss on extinguishment of $2.0 million is included in loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended December 31, 2024.

As noted above, the Company issued 1,261,830 common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $3.04 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 1,261,830 Exchange Warrants were valued at $2.6 million using the Black-Scholes model.

As part of the 2025 Offering, the Company used a portion of the proceeds to pay off the Exchange Note in full in the amount of $4.0 million during the three months ended March 31, 2025.

Note Payable

On June 7, 2024, the Company entered into a subscription agreement for a note payable with Cobra Alternative Capital Strategies, LLC (“Cobra”).

On August 7, 2024, the Company issued a note (the “Note”) in the principal amount of $3,237,269 to Cobra. The Note is due the earlier of (i) February 5, 2025; or (ii) the Company’s receipt of at least $3,500,000 of gross proceeds from an offering of their securities (a “Qualified Offering”) and contain a 20% original issue discount. The Notes were convertible into common stock after maturity if not paid prior. In connection with the issuance of the Note, the Company issued the Investor warrants to purchase up to 1,618,635 shares at the Qualified Offering Price.

On October 29, 2024, the Company entered into the First Amendment to Amended and Restated Secured Promissory Note (the "Note Amendment") with Cobra. Pursuant to the Note Amendment, Cobra agreed to extend the Maturity Date of its senior promissory note dated May 1, 2024. The new Maturity Date was October 29, 2025.

In consideration for the extinguishment of the Secured Bridge Loan, Cobra paid off the $2.7 million balance owed to Synergy as part of the Secured Bridge Loan. In exchange for paying off the Secured Bridge Loan, the Company (i) agreed to make the Cobra Notes convertible at the option of Cobra with a conversion price of $3.17 per share, (ii) agreed to prepay Cobra's debt with 50% of any money raised by the Company from warrant exercise proceeds and from capital raise transactions, and (iii) issued Cobra an aggregate of 500,000 five year warrants with an exercise price of $3.04 per share which are identical to the Exchange Warrants. The Exchange common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $3.04 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 500,000 Exchange Warrants were valued at $1.0 million using the Black-Scholes model.

As part of the 2025 Offering, the Company used a portion of the proceeds to pay off the Note in full in the amount of $4.0 million during the three months ended March 31, 2025.

Secured Bridge Loan

On September 22, 2023, the Company entered into a secured loan pursuant to a Loan and Security Agreement (the "September 2023 Loan Agreement"), dated as of September 22, 2023 with Synergy Imports, LLC (the "Secured Bridge Loan Lender").

Pursuant to the September 2023 Loan Agreement, the Secured Bridge Loan Lender agreed to make available to the Company a six-month bridge loan of $2.2 million in new funds. Additionally, the Secured Bridge Loan Lender agreed to defer payments totaling $2,028,604 already owed by the Company under existing payment obligations and potentially defer up to an additional $2,655,778 which may become due pursuant to existing agreements during the term of the September 2023 Loan Agreement.

On May 6, 2024, the Company, Warehouse Goods and Synergy entered into an asset purchase agreement, dated May 1, 2024 (the "Asset Purchase Agreement") pursuant to which Synergy purchased all of the intellectual property, a specified amount of inventory, and other assets related to the Eyce and DaVinci brands. In consideration for the acquisition, all parties entered into a loan modification agreement, effective May 1, 2024 (the "Loan Modification Agreement") and an amended and restated secured promissory note, effective May 1, 2024 (the "Amended and Restated Secured Promissory Note"), an amendment to the original Eyce and Davinci Asset Purchase Agreements, a distribution agreement, the termination of a license granted by Eyce, and the termination of certain consulting and employment agreements. The Company evaluated the extinguishment of the Secured Bridge Loan under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Secured Bridge Loan should be accounted for as an extinguishment and the Company recorded the resulting gain on extinguishment of $2.1 million in the accompanying consolidated statement of operations for the year ended December 31, 2024 As part of the overall modification, the principal balance with Synergy decreased to $2.7 million from $5.1 million. Synergy acquired certain assets from the Company in exchange for the reduction in overall principal owed and as part of the transaction, the Company recognized a gain on the debt modification of $2.2 million. This amount is included in the accompanying financial statements within the statement of operations for year ended December 31, 2024 within other income (expense). The Secured Bridge Loan balance of $2.7 million was paid in full by Cobra as part of the October 29, 2024 First Amendment to Amended and Restated Secured Promissory Note. The First Amendment to Amended and Restated Secured Promissory Note was repaid in full in February 2025 with proceeds from the Private Placement.

The Company evaluated the extinguishment of the Secured Bridge Loan under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Secured Bridge Loan should be accounted for as an extinguishment and the Company recorded the Cobra debt instrument at fair value which included the consideration in common stock warrants transferred. The resulting loss on extinguishment recorded of $1.0 million is included in loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended December 31, 2024.

As noted above, the company issued 500,000 common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $3.04 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 500,000 Exchange Warrants were valued at $1.0 million using the Black-Scholes model.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In the ordinary course of business, we are involved in various legal proceedings involving a variety of matters. We do not believe there are any pending legal proceedings that will have a material adverse effect on our business, consolidated financial position, results of operations, or cash flows. However, the outcome of such legal matters is inherently unpredictable and subject to significant uncertainties.

On November 13, 2024, Pryor Cashman made a demand for arbitration for unpaid legal invoices in the amount of $320,511.48. The Company intends to dispute these claims in arbitration as it contends the services were not authorized or rendered and expects the case to be resolved at a significant discount (Arbitration, S.D. N.Y.).

On February 11, 2025, Earth's Healing, Inc. (Case No. 25-Cv-1428 (N.D. Cal.)) brought a purchaser class action antitrust action against four U.S. Distributors of Ccell products, including Greenlane Holdings. Inc. The Company believes the case is baseless and without merit, and the Company is jointly defending the case with the other named defendants.

On December 17, 2024, Crossmark, Inc. brought a breach of contract suit against our subsidiary, Warehouse Goods, LLC, in the amount of $297,181.90. The Company intends to defend this breach of contract suit vigorously (Case No. 502024CA011856XXXAM B AI).

On February 25, 2025, the Company received a Civil Investigation Demand regarding an investigation to determine whether there is or has been a violation of 31 U.S.C. 372 the False Claims Act concerning allegations of false claims submitted to federal programs for approval, payment, and subsequent forgiveness of a Kim International LLC (a subsidiary of Kushco which the Company acquired in 2021) 2020 Federal Payment Protection Program ("PPP) loan of approximately $1.9 million dollars. At this stage, it is only a request for information which the Company has provided. The False Claims Act allows for the DOJ to recoup any PPP loans as well as potential treble damages for any violation. At this time, the Company cannot assess the likely outcome of the investigation.

On December 16, 2024, S.K et al brought a consumer class action antitrust action against four U.S. distributions of Ccell products, including Greenlane Holdings, Inc., alleging antitrust violations. The Company believes the case is baseless and without merit and is currently jointly defending these claims with the other named defendants in the case.

On November 15, 2024, Vaporous Technologies, Inc. brought a suit for liquidated damages in the amount of $664,289.43 under the September 2020 Manufacturing Agreement by Vaporous against Warehouse Goods. LLC. The Company believes they have strong defenses against this suit.

We have not taken any reserves for litigation for the three months ended March 31, 2025 and 2024, respectively.

Other Contingencies

We are potentially subject to claims related to various non-income taxes (such as sales, value added, consumption, and similar taxes) from various tax authorities, including in jurisdictions in which we already collect and remit such taxes. If the relevant taxing authorities were successfully to pursue these claims, we could be subject to significant additional tax liabilities.

See "Note 5—Leases" for details of our future minimum lease payments under operating lease liabilities. See "Note 11—Incomes Taxes" for information regarding income tax contingencies.

NOTE 8. SUPPLEMENTAL FINANCIAL STATEMENT INFORMATION

Property and Equipment, net

The following is a summary of our property and equipment, at costs less accumulated depreciation and amortization:

(in thousands)	**Estimated useful life**	**March 31, 2025**	**December 31, 2024**
Furniture, equipment and software	3 - 7 years	$ 8,611	$ 8,595
Leasehold improvements	Lesser of lease term or 5 years	33	33
Work in process		20	20
		8,664	8,648
Less: accumulated depreciation		(7,334)	(7,228)
Property and equipment, net		$ 1,330	$ 1,420

Depreciation expense for property and equipment was approximately $0.1 million and $0.3 million for the three months ended March 31, 2025 and 2024, respectively.

Other Current Assets

The following table summarizes the composition of other current assets as of the dates indicated:

(in thousands)	**March 31, 2025**	**December 31, 2024**
Other current assets:		
VAT refund receivable (Note 2)	$ 52	$ 43
Prepaid expenses	403	301
Indemnification receivable, net	7	7
Customs bonds	952	952
Other	—	2
	$ 1,414	$ 1,305

Accrued Expenses and Other Current Liabilities

The following table summarizes the composition of accrued expenses and other current liabilities as of the dates indicated:

(in thousands)	March 31, 2025		December 31,2024	
Accrued expenses and other current liabilities:				
Accrued employee compensation	$	1,114	$	1,052
Accrued professional fees		419		166
Other accrued expenses		199		166
	$	1,732	$	1,218

Customer Deposits

For certain product offerings we may receive a deposit from the customer (generally 25% - 50% of the total order cost, but the amount can vary by customer contract), when an order is placed by a customer. We typically complete orders related to customer deposits within one to six months from the date of order, depending on the complexity of the customization and the size of the order, but the order completion timeline can vary by product type and terms of sale with each customer. Changes in our customer deposits liability balance during the three months ended March 31, 2025 were as follows:

(in thousands)	Customer Deposits	
Balance as of December 31, 2024	$	2,661
Increases due to deposits received, net of other adjustments		—
Customer Overpayments		—
Revenue recognized		(132)
Balance as of March 31, 2025	$	2,529

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) for the periods presented were as follows:

(in thousands)	Foreign Currency Translation		Unrealized Gain or (Loss) on Derivative Instrument		Total	
Balance at December 31, 2023	$	245	$	—	$	245
Other comprehensive income (loss)		20		—		20
Less: Other comprehensive (income) loss attributable to non-controlling interest		—		—		—
Balance at December 31, 2024	$	265	$	—	$	265
Other comprehensive income (loss)		—		—		—
Less: Other comprehensive (income) loss attributable to non-controlling interest		—		—		—
Balance at March 31, 2025	$	265	$	—	$	265

Supplier Concentration

Our four largest vendors accounted for an aggregate of approximately 78.8% and 24.5% of our total purchases for the three months ended March 31, 2025 and 2024, respectively.

Related Party Transactions

Renah Persofsky, a Greenlane Director, is also a Principal Owner of Green Gruff USA Inc, ("Green Gruff"). As of December 31, 2024, there have been no transactions between the Company and Green Gruff.

Nicholas Kovacevich, our former Chief Corporate Development Officer owns capital stock of Blum Holdings Inc. ("Blum") and serves on the Blum board of directors. Total accounts receivable due from Blum were approximately $0.4 million as of December 31, 2024 and 2023, respectively. On February 8, 2023, we filed a lawsuit against Blum in Superior Court of California, Orange County, seeking to compel the repayment of Blum's open balance due to us. As of the date of these financial statements were available to be issued, there has been a judgement received in favor of the Company.

Three individuals who were employees of the Company at the time are principals in Synergy Imports, LLC the Lender on the Secured Bridge Loan taken out on September 22, 2023, however, none are executive officers or directors of the Company.

NOTE 9. STOCKHOLDERS' EQUITY

Shares of our Class A common stock have both voting interests and economic interests (i.e., the right to receive distributions or dividends, whether cash or stock, and proceeds upon dissolution, winding up or liquidation), while shares of our Class B common stock have voting interests but no economic interests. Each share of our Class A common stock and Class B common stock entitles the record holder thereof to one vote on all matters on which stockholders generally are entitled to vote, and except as otherwise required in the A&R Charter, the holders of Common Stock will vote together as a single class on all matters (or, if any holders of our preferred stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of preferred stock).

Common Stock and Warrant Offerings

August 2024 Private Placement

On August 12, 2024, the Company entered into a securities purchase agreement with certain holders (the "Holders") pursuant to which we agreed to issue and sell an aggregate of 58,000 shares of our Class A common stock, pre-funded warrants to purchase up to 2,305,637 shares of our Class A common stock (the "August 2024 Pre-Funded Warrants") and warrants to purchase up to 4,727,274 shares of our Class A common stock (the "August 2024 Standard Warrants"). for aggregate gross cash proceeds of $6.5 million. In connection with the private placement, the Company issued an aggregate of 2,363,637 units and pre-funded units. The pre-funded units were sold at the same purchase price as the units, less the pre-funded warrant exercise price of $0.001. Each unit and pre-funded unit consisted of one share of common stock (or one pre-funded warrant) and two common warrants, each exercisable for one share of common stock at an exercise price of $2.50 per share. The common warrant were exercisable on the initial exercise date described in the common warrant and will expire 5.0 years from such date.

On February 18, 2025, the Company entered into an Exchange Agreement with Holders of three tranches of warrants to purchase Common Stock previously issued by the Company in August 2024 and October 2024. Under such Exchange Agreement, such Holders exchanged with the Company such existing warrants for approximately 6.1 million new warrants to purchase common stock, substantially in the form of the Series B Warrants. The Company exchanged 4,587,274 warrants not previously exercised into two and one-half (2.5) year warrants in the form of the Series B Warrants with an exercise price of $2.98 per share.

October 2024 Private Placement

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender and with Cobra. In connection with the Exchange, the Company issued an aggregate of 1,761,830 five year warrants with an exercise price of $3.04 per share (the "Exchange Warrants"). The Exchange Warrants which were deemed to be classified as equity as the warrants were exercisable for a fixed price of $3.04 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishments, the 1,761,830 Exchange Warrants were valued at $3.7 million using the Black-Scholes model.

In February 2025, the Company exchanged the remaining 1,541,830 warrants not previously exercised into warrants which were substantially equivalent to the Series B Warrants which were two and one-half (2.5) year warrants in the form of the Series B Warrants with an exercise price of $1.19 per share.

February 2025 Private Placement

On February 19, 2025, the Company consummated a private placement pursuant to a securities purchase agreement ("Purchase Agreement") with institutional investors (the "Purchasers") for the purchase and sale of approximately $25.0 million of shares of the Company's Class A common stock and investor warrants at a price of $1.19 per Common Unit. The entire transaction was priced at the market under Nasdaq rules. The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $1.4875 (the "Series A Warrant") and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2.975 (the "Series B Warrant" and together with the Series A Warrant, the "Warrants"). The initial exercise price of each Series B Warrant is $2.975 per share of Common Stock or pursuant to an alternative cashless exercise option

The initial exercise price of each Series A Warrant is $1.4875 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is $2.975 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

In connection with the Private Placement, the Company entered into a registration rights agreement with the Purchasers on February 18, 2025 (the "Registration Rights Agreement"), pursuant to which the Company is required to file a registration statement covering the resale of the Securities within 30 calendar days of the closing of the offering.

As part of the Purchase Agreement the Company agreed to place $2.5 million into an escrow account to ensure there were no misrepresentations were made by the Company as part of the private placement. As of March 31, 2025. the escrow balance was $1.7 million due to $0.8 million being credited back to the Purchasers as a result of late filings made by the Company. The Company expects to settle the escrow receivable amount owed by December 31, 2025.

Net Loss Per Share

Basic net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive instruments.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share of our Class A common stock is as follows (in thousands, except per share amounts):

	Three months ended March 31,	
(in thousands, except share and per share data)	**2025**	**2024**
Numerator:		
Net loss	$ (3,867)	$ (4,491)
Less: Net loss attributable to non-controlling interests	—	—
Net loss attributable to Class A common stockholders	$ (3,867)	$ (4,491)
Denominator:		
Weighted average shares of Class A common stock outstanding	12,178,170	354,943
Net loss per share of Class A common stock - basic and diluted	$ (0.32)	$ (12.65)

The June 2022 Pre-Funded Warrants, October 2022 Pre-Funded Warrants, July 2023 Pre-Funded Warrants were included in the weighted-average in the computation of basic net loss per share of Class A common stock for the three months ended March 31, 2025 and 2024, respectively, beginning with their issuance date, as their stated exercise price of $0.001 was non-substantive and their exercise was virtually assured.

The August 2024 Pre-Funded Warrants were included in the weighted-average in the computation of basic net loss per share of Class A commons stock for the year ended December 31, 2024, beginning with their issuance date, as their stated exercise price of $0.001 was non-substantive and their exercise was virtually assured.

The February 2025 Pre-Funded Warrants were included in the weighted-average in the computation of basic net loss per share of Class A commons stock for the three months ended March 31, 2025, beginning with their issuance date, as their stated exercise price of $0.001 was non-substantive and their exercise was virtually assured.

For the three months ended March 31, 2025 and 2024, respectively, shares of Class B common stock and stock options and warrants to purchase Class A common stock were excluded from the weighted-average in the computation of diluted net loss per share of Class A common stock because the effect would have been anti-dilutive.

Shares of our Class B common stock do not share in our earnings or losses and are therefore not participating securities. As such, separate calculations of basic and diluted net loss per share for each of our Class B common stock under the two-class method have not been presented for the three months ended March 31, 2025 and 2024, respectively. As of December 31, 2022, all Common Units of the Operating Company and Class B common stock had been exchanged for Class A common stock, and we owned 100.0% of the economic interests in the Operating Company.

The following table sets forth the outstanding potentially dilutive securities that have been excluded in the calculation of diluted net loss per share because their inclusion would be anti-dilutive (in common stock equivalent shares):

	Three Months Ended March 31,	
	2025	**2024**
Stock options to purchase common stock	334	360
Warrants to purchase common stock	66,925,201	774,099
	66,925,535	774,459

NOTE 10. COMPENSATION PLANS

Amended and Restated 2019 Equity Incentive Plan

In April 2019, we adopted the 2019 Equity Incentive Plan (the “2019 Plan”). In August 2021, we adopted, and our shareholders approved, the Amended and Restated 2019 Equity Incentive Plan (the “Amended 2019 Plan”), which amends and restates the 2019 Plan in its entirety. At our 2022 Annual Meeting of Stockholders on August 4, 2022, stockholders approved the Second Amended and Restated 2019 Equity Incentive Plan (the “Second Amended 2019 Plan”) which, among other things, increased the number of shares of Class A common stock authorized for issuance under the Amended 2019 Plan. Following the effect of the Reverse Stock Splits, the total number of shares of Class A common stock authorized for issuance is 10,000 shares.

The Second Amended 2019 Plan provides eligible participants with compensation opportunities in the form of cash and equity incentive awards. The Second Amended 2019 Plan is designed to enhance our ability to attract, retain and motivate our employees, directors, and executive officers, and incentivizes them to increase our long-term growth and equity value in alignment with the interests of our stockholders.

On June 2, 2023, the Company’s stockholders approved a third amendment and restatement of the 2019 Plan (the “Third Amended Plan”). The Third Amended Plan, among other things, increases the number of shares of Class A common stock authorized for issuance under the Second Amended 2019 Plan by 19,078 shares to an aggregate of 29,078 shares. As of the date of this Annual Report on Form 10-K, we have not filed a Registration Statement on Form S-8 with the Securities and Exchange Commission to register the additional shares authorized under the Third Amended Plan.

Equity-Based Compensation Expense

Equity-based compensation expense is included within “salaries, benefits and payroll taxes” in our condensed consolidated statements of operations and comprehensive loss. We recognized equity-based compensation expense as follows:

	Three months ended March 31,	
(in thousands)	**2025**	**2024**
Stock options - Class A common stock	$ —	$ —
Restricted shares - Class A common stock	—	86
Total equity-based compensation expense	$ —	$ 86

As of March 31, 2025, there was no remaining unrecognized compensation expense.

NOTE 11. INCOME TAXES

As a result of the IPO and the related transactions completed in April 2019, we owned a portion of the Common Units of the Operating Company, which is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, the Operating Company was generally not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by the Operating Company was passed through to and included in the taxable income or loss of its members, including Greenlane, on a pro-rata basis, in accordance with the terms of the Operating Agreement. The Operating Company was also subject to taxes in foreign jurisdictions. We are a corporation subject to U.S. federal income taxes, in addition to state and local income taxes, based on our share of the Operating Company's pass-through taxable income.

Effective on December 31, 2022, the Operating Company became wholly owned by us. As a result, the Operating Company's tax status was converted from a partnership to a disregarded entity. Starting in 2023, 100% of the Operating Company's U.S. income and expenses is included in our US and state tax returns.

During the three months ended March 31, 2025 and 2024, respectively, management performed an assessment of the realizability of our deferred tax assets based upon which management determined that it is not more likely than not that the results of operations will generate sufficient taxable income to realize portions of the net operating loss benefits. Consequently, we established a full valuation allowance against our deferred tax assets and reflected a carrying balance of $0 as of March 31, 2025 and December 31, 2024, respectively. In the event that management determines that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, an adjustment to the valuation allowance will be made, which would reduce December the provision for income taxes.

Uncertain Tax Positions

For the three months ended March 31, 2025 and 2024, respectively, we did not have any unrecognized tax benefits as a result of tax positions taken during a prior period or during the current period. No interest or penalties have been recorded as a result of tax uncertainties. The Company is subject to audit examination for federal and state purposes for the years 2019 – 2023. As of the date these financial statements were issued, there were not any ongoing income tax audits.

Tax Receivable Agreement (TRA)

We entered into the TRA with the Operating Company and each of the members (other than Greenlane Holdings, Inc.) that provides for the payment by the Operating Company to the members of 85% of the amount of tax benefits, if any, that we may actually realize (or in some circumstances are deemed to realize) as a result of (i) increases in tax basis resulting from any future redemptions of Common Units as described in "Note 1—Business Operations and Organization" and (ii) certain other tax benefits attributable to payments made under the TRA.

The annual tax benefits are computed by calculating the income taxes due, including such tax benefits, and the income taxes due without such benefits. The Operating Company expects to benefit from the remaining 15% of any tax benefits that it may actually realize. The TRA payments are not conditioned upon any continued ownership interest in the Operating Company. The rights of each noncontrolling interest holder under the TRA are assignable to transferees of its interest in the Operating Company. The timing and amount of aggregate payments due under the TRA may vary based on a number of factors, including the amount and timing of the taxable income the Operating Company generates each year and the applicable tax rate.

As noted above, we evaluated the realizability of the deferred tax assets resulting from the IPO and the related transactions completed in April 2019 and established a full valuation allowance against those benefits. As a result, we determined that the amount or timing of payments to noncontrolling interest holders under the TRA are no longer probable or reasonably estimable. Based on this assessment, our TRA liability was $0 as of March 31, 2025 and December 31, 2024.

If utilization of the deferred tax assets subject to the TRA becomes more likely than not in the future, we will record a liability related to the TRA, which would be recognized as expense within our condensed consolidated statements of operations and comprehensive (loss) income.

During the three months ended March 31, 2025 and 2024, respectively, we did not make any payments, inclusive of interest, to members of the Operating Company pursuant to the TRA.

NOTE 12. SEGMENT REPORTING

We define our segments as those operations whose results are regularly reviewed by our CODM to analyze performance and allocate resources. Therefore, segment information is prepared on the same basis that management reviews financial information for operational decision-making purposes. Our CODM is a committee comprised of our CEO and our CFO.

We determined we had one operating segment as of March 31, 2025. This operating segment aligns with how we manage our business as of the fourth quarter of 2024. The accounting policies of the reportable segments are the same as those described in "Note 2 - Summary of Significant Accounting Policies."

Our CODM assesses the performance of our one operating segment based on the operating segments' net sales and gross profit. The following table sets forth information by reportable segment for the three months ended March 31, 2025 and 2024.

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net sales	$ 1,469	$ 4,926
Cost of sales	748	3,414
Gross profit	$ 721	$ 1,512

The following table sets forth specific asset categories which are reviewed by our CODM in the evaluation of operating segments:

	As of	
(in thousands)	**March 31, 2025**	**December 31, 2024**
Accounts receivable, net	$ 4,899	$ 4,262
Inventories	$ 14,314	$ 14,215
Vendor deposits	$ 2,717	$ 3,091

The following table sets forth net sales disaggregated by geography:

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
United States	$ 1,469	$ 3,850
Canada	—	87
Europe	—	989
Total net sales	$ 1,469	$ 4,926

The following table sets forth our long-lived assets by geographic area, which consist of property and equipment, net, and operating lease right-of-use assets:

	As of	
(in thousands)	**March 31, 2025**	**December 31, 2024**
United States	$ 2,145	$ 2,459
Canada	—	4
Europe	—	—
Total long-lived assets	$ 2,145	$ 2,463

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes of Greenlane Holdings, Inc. and its consolidated subsidiaries ("Greenlane" and, collectively with the Operating Company and its consolidated subsidiaries, the "Company", "we", "us" and "our") for the quarterly period ended March 31, 2025 included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and related notes of Greenlane Holdings, Inc. for the year ended December 31, 2024, which are included in our Annual Report on Form 10-K.

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Many of the forward-looking statements are located in Part I, Item 2 of this Form 10-Q under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could" and similar expressions. Examples of forward-looking statements include, without limitation:

- statements regarding our growth and other strategies, results of operations or liquidity;
- statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance;
- statements regarding our industry;
- statements of management's goals and objectives;
- statements regarding laws, regulations, and policies relevant to our business;
- projections of revenue, earnings, capital structure and other financial items;
- assumptions underlying statements regarding us or our business; and
- other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Factors that might cause such a difference include those discussed in our filings with the SEC, under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Annual Report") and in other documents that we file from time to time with the Securities and Exchange Commission (the "SEC").

Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, those listed below and those discussed in greater detail in Part I, Item 1A of the 2024 Annual Report under the heading "Risk Factors."

- our strategy, outlook, and growth prospects;
- general economic trends, trends in the industry, and the competitive markets in which we operate;
- our ability to generate adequate cash from our existing business to support our growth;
- our ability to raise capital on favorable terms, or at all, to support the continued growth of the business, including high inflation and increasing interest rates;
- our dependence on, and our ability to establish and maintain business relationships with third-party suppliers and service suppliers, including vulnerability to third-party transportation risks;
- our ability to accurately estimate demand for our products and maintain appropriate levels of inventory;
- our ability to maintain or improve our operating margins and meet sales expectations;
- our ability to adapt to changes in consumer spending and general economic conditions;
- our ability to maintain consumer brand recognition and loyalty of our products;
- our ability to protect our intellectual property rights and use or license certain trademarks;
- our ability to successfully identify and complete strategic acquisitions and/or dispositions;
- our ability to address product defects and contamination of, or damage to, our products;
- our exposure to potential various claims, lawsuits, and administrative proceedings;
- our and our customers' ability to establish or maintain banking relationships;
- the impact of governmental laws and regulations and the outcomes of regulatory or agency proceedings;
- fluctuations in U.S. federal, state, local, and foreign tax obligations and changes in tariffs;
- any unfavorable scientific studies on the long-term health risks of vaporizers, electronic cigarettes, or cannabis and hemp-derived products, including cannabidiol ("CBD");
- failure of our information technology systems to support our current and growing business;
- our ability to prevent and recover from Internet security breaches;
- our sensitivity to global economic conditions and international trade issues;
- the onset of an economic recession in the United States or other countries, including the impact of the ongoing wars, and their impact on the economy generally;
- natural disasters, adverse weather conditions, operating hazards, environmental incidents and labor disputes;
- public health crises;
- the potential delisting of our Class A common stock from Nasdaq;
- increased costs as a result of being a public company; and
- our failure to maintain adequate internal controls over financial reporting.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Consequently, you should not place undue reliance on forward-looking statements.

Overview

Founded in 2005, Greenlane is a premier global platform for the development and distribution of premium cannabis accessories, vape devices, and lifestyle products. With three different mergers in 2021, Greenlane was able to strengthen its leading position as a consumer ancillary products house-of-brands business, significantly expanding its customer network, bringing strategic relationships with leading cannabis multi-state operators (“MSOs”), cannabis single-state operators (“SSOs”), and Canadian licensed producers (“LPs”). Greenlane provides a wide array of consumer ancillary products and industrial ancillary products to thousands of cannabis producers, processors, brands, and retailers (“Cannabis Operators”). In addition, it serves specialty retailers, smoke shops, head shops, convenience stores, and consumers directly through its own proprietary web stores and large online marketplaces such as Amazon.

We have been developing a world-class portfolio of both our own proprietary brands (the “Greenlane Brands”) along with close partner brands that we believe will, over time, deliver higher margins and create long-term value for our customers and shareholders. Our Greenlane Brands include our more affordable product line – Groove, our premium smoke shop and ancillary product brand – Higher Standards, and our child-resistant packaging brand - Pollen Gear. In collaboration with our partner brands, including the innovative silicone pipes and accessories line, Eyce, and the premium vaporizer brand, DaVinci, Greenlane is strategically positioned to serve as a comprehensive one-stop shop for all buyers. We also have category exclusive licenses for the premium Marley Natural branded products, as well as the Keith Haring branded products.

The Greenlane Brands, along with a curated set of third-party products, are offered to customers through our proprietary, owned and operated e-commerce platforms which include Wholesale.Greenlane.com, Vapor.com, PuffItUp.com, HigherStandards.com, and MarleyNaturalShop.com. Additionally, our presence on popular e-commerce platforms such as Amazon, Etsy, and eBay enable us to reach customers directly, providing them with valuable resources and a seamless purchasing experience.

We merchandise vaporizers, packaging, and other ancillary products in the United States, Canada, Europe, and Latin America. We distribute products to retailers through wholesale operations and distribute products to consumers through constantly evolving e-commerce activities. We operate our own distribution center in the United States, while also utilizing third-party logistics (“3PL”) locations in Canada. We made tremendous progress consolidating and streamlining our warehouse and distribution in 2023 and 2024, including the consolidations of our warehouse in Worcester, MA and 3PL location in Hebron, KY to our owned facility in Moreno Valley, California in 2023.

Greenlane offers a full spectrum of products, positioning us to meet all our customers’ growing demands. We focus on serving consumers across wholesale, retail, and e-commerce operations—offering all of our Greenlane Brands, as well as ancillary products and accessories from select leading third-party brands such as Storz and Bickel, Grenco Science, PAX, Cookies, and more. Our direct to consumer channels form a central part of our growth strategy, especially as it relates to scaling our own portfolio of higher-margin proprietary owned brands. In addition we serve Cannabis Operators by providing ancillary products essential to their daily operations and growth, such as packaging and vaporization solutions, including our Greenlane Brand Pollen Gear.

We have historically experienced only moderate seasonality in the direct to consumer side of our business, particularly during the fourth quarter. This coincides with Cyber Monday (the first Monday after Thanksgiving, when online retailers typically offer holiday discounts), and as our customers build up their inventories in anticipation of the holiday season. We also have related promotional marketing campaigns during this period.

Plan to Accelerate Path to Profitability and Capitalize the Business

In today's economic landscape, particularly within the cannabis industry, achieving profitability and preserving working capital are paramount. At Greenlane, we are intensely focused on making our business profitable and well-capitalized for long-term sustainability. Our key initiatives include:

1. Technology Enhancements: We remain fully committed to improving our technology, particularly our B2B and e-commerce platforms, to provide a seamless shopping experience for our wholesale and retail customers.

2. Facility Footprint Rationalization: In 2023 and 2024, we optimized our facilities footprint by reducing warehouse and office space while increasing operational efficiency and improving fulfillment practices. The full benefit of those efforts are expected to be realized in 2024.

3. Headcount Reduction: We have significantly reduced our headcount and associated salary expenses, focusing on maintaining a core group of key employees as we collectively right-size the business.

4. Cost Structure Optimization: We continue to reduce our overall cost structure while improving margins. In April 2023, we formed two strategic partnerships (described below in greater detail) to increase margins and significantly reduce working capital requirements in our Industrial Goods segment. Similarly, our Consumer Goods segment restructured arrangements with several third-party brands in 2022 and 2023 to reduce our working capital needs.

5. Inventory Management: In 2024, we implemented a new inventory management and lifecycle strategy that is focused on a quarterly turn and a regular review of inventory to avoid future write-offs.

6. Sales Force Upgrade: We have upgraded and will continue to upgrade our sales force from a solely account management centric team to a skilled and driven sales team to acquire new customers while maintaining excellent service with our existing customers

7. Product Innovation: We launched Groove, an innovative new product line with a value-based price point and in 2024 we have begun to expand our product offering to further enhance our assortment available to our customers.

8. Capital Investment: We continue to seek opportunities for securing investment capital to leverage our platform, increase availability and reduce stockouts of our high demand third-party brands, invest in marketing and sales, and improve our product offerings.

Management believes that these initiatives will significantly reduce costs, help accelerate the Company's path to profitability, support business growth, and allow the Company to reinvest capital into its highest demand and highest potential product lines.

During 2024 and 2025, the Company received capital from various sources permitting it to right-size the business and position the company for growth. Such sources are described in greater detail in the Liquidity and Capital Resources Section of this report.

During 2024 and 2025, the Company also entered into certain arrangements to reduce working capital requirements and improve its balance sheet.

In April 2023, we entered into two strategic partnership. First, we entered into a strategic partnership (the "MJ Packaging Partnership") with A&A Global Imports d/b/a MarijuanaPackaging.com ("MJ Pack"), a leading provider of packaging solutions to the cannabis industry. Second, we entered into a strategic partnership with an affiliate of one of our existing vape suppliers ("Vape Partner") to service certain key customers with vaporizer goods and services (the "Vape Partnership"). As part of the Vape Partnership, we will introduce our Vape Partner to certain key customers, assist with the promotion and the sale of certain vaporizer goods and services, and help coordinate the logistics, storage and distribution of such vaporizer products. If our Vape Partner and key customer(s) enter into a direct relationship, the customers would directly purchase vaporizer goods and services, which we currently sell them, directly from our Vape Partner and we would no longer need to purchase such vape inventory on behalf of such key customer(s). In exchange we would earn quarterly and annual commission payments from our strategic partners. While the strategic partnerships may result in a decrease in top line revenue for these packaging and vape products, these partnerships combined with some of our other restructuring initiatives should allow us to reduce our overall cost-structure and enhance our margins, thereby improving our balance sheet.

On May 6, 2024, the Company, Warehouse Goods and Synergy Imports LLC ("Synergy") entered into an asset purchase agreement, dated May 1, 2024 (the "Asset Purchase Agreement") pursuant to which Synergy purchased all of the intellectual property, a specified amount of inventory, and other assets related to the Eyce and DaVinci brands. In consideration for the acquisition, all parties entered into a loan modification agreement, effective May 1, 2024 (the "Loan Modification Agreement") and an amended and restated secured promissory note, effective May 1, 2024 (the Amended and Restated Secured Promissory Note"), an amendment to the original Eyce and Davinci Asset Purchase Agreements, a distribution agreement, the termination of a license granted by Eyce, and the termination of certain consulting and employment agreements.

USPS PACT Act Exemption

On January 11, 2022, we announced via press release that the United States Postal Service (the "USPS") had approved our application for a business and regulatory exemption to the PACT Act (with respect to the business and regulatory exemption granted by the USPS, the "PACT Act Exemption"), allowing us to ship vaporizers and accessories classified as electronic nicotine delivery systems ("ENDS") products to other compliant businesses. With this approval, over 97% of our total annual sales became eligible for shipment by freight, USPS and other major parcel carriers. The PACT Act Exemption also enables us to partner with other businesses that ship ENDS products and had their supply chains disrupted by PACT Act compliance.

On June 24, 2022, we provided via press release an update on the progress of the PACT Act Exemption, following our successful implementation of the controls, processes and systems required by the USPS in connection with the shipment of ENDS products. We expect the ability to fulfill ENDS orders with the USPS to allow us to reduce shipping costs, decrease fulfillment times and enhance the overall customer experience for approved wholesale customers.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. We base our estimates on historical experience, outside advice from parties believed to be experts in such matters, and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. See "Note 2—Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for a description the significant accounting policies and methods used in the preparation of our consolidated financial statements.

Inventories

Inventories, consisting of finished products, are primarily accounted for using the weighted-average method, and are valued at the lower of cost and net realizable value. This valuation requires us to make judgments, based on currently available information, about the likely method of disposition, such as through sales to customers or liquidations. Assumptions about the future disposition of inventory are inherently uncertain and changes in our estimates and assumptions may cause us to realize material write-downs in the future.

Income Taxes and TRA Liability

We are a corporation subject to income taxes in the United States. Certain subsidiaries of the Operating Company are taxable separately from us. Our proportional share of the Operating Company's subsidiaries' provisions are included in our consolidated financial statements.

As of December 31, 2022, we held all the outstanding Common Units in the Operating Company and are the sole member. As a result, in 2023, 100% of the Operating Company's US and state income and expenses are now included in our US and state tax returns.

Our deferred income tax assets and liabilities are computed for differences between the tax basis and financial statement amounts that will result in taxable or deductible amounts in the future. We compute deferred balances based on enacted tax laws and applicable rates for the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized for deferred tax assets if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine we would be able to realize our deferred tax assets for which a valuation allowance had been recorded, then we would adjust the deferred tax asset valuation allowance, which would reduce our provision for income taxes.

We evaluate the tax positions taken on income tax returns that remain open and positions expected to be taken on the current year tax returns to identify uncertain tax positions. Unrecognized tax benefits on uncertain tax positions are recorded on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized is recognized. Interest and penalties related to unrecognized tax benefits are recorded in income tax benefit. We have no uncertain tax positions that qualify for inclusion in our consolidated financial statements.

In addition to tax expenses, we may incur expenses related to our operations and may be required to make payments under the Tax Receivable Agreement (the "TRA"), which could be significant. Pursuant to the Greenlane Operating Agreement, Greenlane Holdings, LLC will generally make pro rata tax distributions to its members in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Greenlane Holdings, LLC that is allocated to them and possibly in excess of such amount.

Legal Contingencies

In the ordinary course of business, we are involved in legal proceedings involving a variety of matters. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages. We evaluate the associated developments on a regular basis and accrue a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine there is a reasonable possibility that we may incur a loss and the loss or range of loss can be estimated, we disclose the possible loss in the accompanying notes to the consolidated financial statements to the extent material.

We review the developments in our contingencies that could affect the amount of the provisions that have been previously recorded, and the matters and related reasonably possible losses disclosed. We make adjustments to our provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability of loss and the estimated amount of loss.

The outcome of these matters is inherently uncertain. Therefore, if one or more legal proceedings were resolved against us for amounts in excess of management's expectations, our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected. See "Note 7—Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for additional information regarding these contingencies.

Recent Accounting Pronouncements

See "Note 2—Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of our Form 10-K filed on March 21, 2025.

Results of Operations

The following table presents operating results for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,					
			% of Net sales		Change	
	2025	**2024**	**2025**	**2024**	**$**	**%**
Net sales	$ 1,469	4,926	100.0%	100.0%	$ (3,457)	(70.2)%
Cost of sales	748	3,414	50.9%	69.3%	(2,666)	(78.1)%
Gross profit	721	1,512	49.1%	30.7%	(791)	(52.3)%
Operating expenses:						
Salaries, benefits and payroll taxes	1,267	2,946	86.3%	59.8%	(1,679)	(57.0)%
General and administrative	2,823	2,292	192.2%	46.5%	528	23.0%
Depreciation and amortization	106	2,254	7.2%	5.2%	(2,148)	(95.3)%
Total operating expenses	4,196	5,492	285.7%	111.5%	(1,296)	(23.6)%
Loss from operations	(3,475)	(3,980)	(236.6)%	(80.8)%	505	(12.7)%
Other income (expense), net:						
Interest expense	(391)	(522)	(26.6)%	(10.6)%	131	(25.1)%
Other income, net	(1)	11	(0.1)%	0.2%	(12)	(109.9)%
Total other expense, net	(392)	(511)	(26.7)%	(10.4)%	119	(23.3)
Loss before income taxes	(3,867)	(4,491)	(263.3)%	(91.2)%	624	(13.9)%
Provision for (benefit from) income taxes	—	—	—%	—%	—	—%
Net loss	(3,867)	(4,491)	(179.5)%	(91.2)%	624	(13.9)%
Net loss attributable to non-controlling interest	—	—	—%	—%	—	—%
Net loss attributable to Greenlane Holdings, Inc.	$ (3,867)	(4,491)	(179.5)%	(91.2)%	$ 624	(13.9)%

Consolidated Results of Operations

Net Sales

For the three months ended March 31, 2025, net sales were approximately $1.5 million, compared to approximately $4.9 million for the same period in 2024, representing a decrease of $3.5 million, or 70.2%. The year-over-year decrease in net sales was due to a major restructuring of our Industrial Group in April of 2023, involving our packaging and industrial vaping product lines; transitioning much of this business from a gross sales to a commission structure to preserve working capital. Revenues decreased in the Consumer Brands Group due, in part, to restructuring efforts and shift in strategy to focus on in-house brands that carry a higher margin profile while rationalizing third-party brand offerings, which generated top line revenue with lower margins. The Company is continuing to focus on profitable revenue and as a result top line revenue has significantly been reduced. Concurrently, the Company has continued its focus on right-sizing the business during the fiscal year ended December 31, 2024 and through present, in an effort to reduce sales and marketing costs and reduce or eliminate certain administrative functions.

Cost of Sales and Gross Margin

For the three months ended March 31, 2025, cost of sales decreased by $2.7 million, or 78.1%, as compared to the same period in 2024. The decrease was is driven by the 70.2% decrease in revenue in addition to a decrease in damaged and obsolete inventory write-offs.

Gross margins increased by 18.4% to 49.1% for the three months ended March 31, 2025, compared to 30.7% for the same period in 2024. The increase in gross margins is in part related to transitioning to a commission revenue model for the majority of the vaporizer sales with 100% margin versus gross revenue with lower margins.

Salaries, Benefits and Payroll Taxes

Salaries, benefits and payroll taxes expenses were approximately $1.3 million for the three months ended March 31, 2025, compared to $2.9 million for the same period in 2024. The decrease is related to the reduction in workforce to right-size the business and focus on profitability.

As we continue to closely monitor the evolving business landscape, we remain focused on identifying cost-saving opportunities while delivering on our strategy to recruit, train, promote and retain the most talented and success-driven personnel in the industry.

General and Administrative Expenses

General and administrative expenses were approximately $2.8 million for the three months ended March 31, 2025, compared to $2.3 million for the same period in 2024. The increase is related increases in professional and outside services, facility expenses, outbound freight, other general and administrative, marketing, taxes and licenses, and general insurance.

Depreciation and Amortization Expense

Depreciation and amortization expense were approximately $0.1 million for the three months ended March 31, 2025, compared to $0.3 million for the same period in 2024. The decrease is related to a major restructuring effort to reduce cost and right-size the business resulting in the sale and disposal of assets related to reducing our warehousing and office footprint.

Other Income (Expense), Net

Interest expense

Interest expense decreased approximately $0.1 million for the three months ended March 31, 2025 compared to the same period in 2024. The decrease is primarily related to reduction in overall debt as all of the Company’s debt was paid off in February 2025.

Provision for (Benefit from) Income Taxes

For the three months ended March 31, 2025 and 2024, respectively, the effective tax rate differed from the U.S. federal statutory tax rate of 21% primarily due to the Operating Company’s pass-through structure for U.S. income tax purposes (through December 31, 2022), the relative mix in earnings and losses in the U.S. versus foreign tax jurisdictions, and the valuation allowance against the deferred tax asset.

Liquidity, Capital Resources and Going Concern

Our primary requirements for liquidity and capital are working capital, debt service related to recent acquisitions and general corporate needs. Our primary sources of liquidity are our cash on hand and the cash flow that we generate from our operations, as well as proceeds from equity issuances. As of March 31, 2025, we had approximately $8.5 million of cash, of which none was restricted and $0.1 million was held in foreign bank accounts, and approximately $18.6 million of working capital, which is calculated as total current assets minus total current liabilities, as compared to approximately $0.9 million of cash, of which none was restricted and $0.1 million was held in foreign bank accounts, and approximately $1.5 million of working capital as of December 31, 2024. The repatriation of cash balances from our foreign subsidiaries could have adverse tax impacts or be subject to capital controls; however, these balances are generally available to fund the ordinary business operations of our foreign subsidiaries without legal or other restrictions.

We believe that our cash on hand and the cash flow that we generate from our operations and financing activities from recent equity fundraisings will be sufficient to fund our working capital and capital expenditure requirements, as well as our debt repayments and other liquidity requirements associated with our existing operations, for the next 12 months. Based on our cash on hand and working capital at March 31, 2025, we expect to have sufficient cash to fund planned operations into the second quarter of 2026. This is largely due to the Company's Private Placement that occurred on February 19, 2025.

Our primary requirements for liquidity and capital are working capital, equity fundraising, debt service related to recent acquisitions and general corporate needs. Our primary sources of liquidity are our cash on hand and the cash flow that we generate from our equity and debt transactions, as well as proceeds from equity issuances, such as our July 2023, August 2024, and February 2025 Offerings, each as described and defined below.

ATM Program and Shelf Registration Statement

We used a shelf registration statement on Form S-3 (the "Shelf Registration Statement") to conduct securities offerings. In August 2021, we filed a prospectus supplement and established an "at-the-market" equity offering program (the "ATM Program") that provided for the sale of shares of our Class A common stock having an aggregate offering price of up to $50 million, from time to time.

Since the launch of the ATM program in August 2021 and through December 31, 2022, we sold shares of our Class A common stock which generated gross proceeds of approximately $12.7 million and we paid fees to the sales agent of approximately $0.4 million. Due to the untimely filing of certain of our Quarterly and Annual Reports that was remediated in 2024, we are unable to issue additional shares of Class A common stock pursuant to the ATM Program or otherwise use the Shelf Registration Statement and once eligible will be required to file a new S-3 for utilization of our Shelf Registration Statement.

Common Stock and Warrant Offerings

On August 12, 2024, the Company entered into a securities purchase agreement with three different funds of a single institutional investor for aggregate gross cash proceeds of $6.5 million. In connection with the private placement, the Company will issue an aggregate of 2,363,637 units and pre-funded units. The pre-funded units will be sold at the same purchase price as the units, less the pre-funded warrant exercise price of $0.001. Each unit and pre-funded unit will consist of one share of common stock (or one pre-funded warrant) and two common warrants, each exercisable for one share of common stock at an exercise price of $2.50 per share. The common warrant will be exercisable on the initial exercise date described in the common warrant and will expire 5.0 years from such date.

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender, whereby the Company agreed to exchange an aggregate of $4,617,307 of debt originally owed to Agile Capital Funding LLC and Cedar Advance LLC in a 3(a)(9) exchange for new Senior Subordinated Notes in the principal amount of $4,000,000 due one year from issuance (the "Exchange Note"), reducing outstanding indebtedness by approximately $617,000. The Exchange Note was convertible at the option of the holder at $3.17 per share. In connection with the Exchange, the Company issued an aggregate of 1,261,830 five year warrants with an exercise price of $3.04 per share (the "Exchange Warrants"). The Exchange Note was repaid out of the proceeds of the February 2025 Offering.

In addition, pursuant to the terms of the Exchange Agreement, the Company agreed to issue warrants to the Holders, with an initial exercise price of $3.04, exercisable 180 days after issuance (the "Exchange Inducement Warrants"). The Exchange Inducement Warrants were issued to incentivize the holders to exercise some or all of their existing warrants originally issued on August 13, 2024 (the "Existing Warrants") for cash, which existing warrants have an exercise price of $2.50 per share. The Exchange Inducement Warrants are initially exercisable for zero shares, but to the extent that the Holders exercise any of such Existing Warrants during the one-hundred sixty day inducement period, the Exchange Inducement Warrants will become exercisable on April 30, 2025 for 200% of the number of Existing Warrants exercised for cash during such inducement period. As part of the February 2025 Offering, the exercise price of these warrants was adjusted to $1.19 per share.

Also, pursuant to the Exchange Agreement, the Senior Subordinated Lender agreed that it will exercise its Existing Warrants for cash prior to exercising any of its outstanding pre-funded warrants, contingent on the market price of the common stock being above $2.50 per share and certain other conditions. The above agreement will terminate upon the Company receiving certain cash proceeds and prepaying at least $2,250,000 of Cobra Alternative Capital Strategies LLC ("Cobra") Notes. The Cobra Note was repaid out of the February 2025 Offering.

On February 18, 2025, the Company entered into definitive agreements with institutional investors for the purchase and sale of approximately $25.0 million of shares of the Company's Class A common stock ("Common Stock" and investor warrants at a price of $1.19 per Common Unit. The entire transaction was priced at the market under Nasdaq rules.

The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $1.4875 ("Series A Warrant") and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2.975 ("Series B Warrant" and together with the Series A Warrant, the "Warrants"). The initial exercise price of each Series A Warrant is $1.4875 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is $2.975 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

Also, on February 18, 2025, the Company entered into an Exchange Agreement with certain holders (the "Holders") of three tranches of warrants to purchase Common Stock previously issued by the Company in August 2024 and October 2024. Under such Exchange Agreement, such Holders agreed to exchange with the Company such existing warrants for approximately 6.1 million new warrants to purchase common stock, substantially in the form of the Series B Warrants.

Notes Payable

On June 7, 2024, the Company entered into a subscription agreement with Cobra Alternative Capital Strategies, LLC. As of December 31, 2024, the Company has been loaned $3.1 million with net cash proceeds of $2.6 million.

On October 29, 2024, the Company entered into the First Amendment to Amended and Restated Secured Promissory Note (the "Note Amendment") with Cobra Alternative Capital Strategies LLC ("Cobra"). Pursuant to the Note Amendment, Cobra agreed to extend the Maturity Date of its senior promissory note dated May 1, 2024, which is currently due. The new Maturity Date will be October 29, 2025. In consideration for the extension, the Company (i) agreed to make such Notes convertible at the option of Cobra with a conversion price of $3.17 per share, (ii) agreed to prepay Cobra's debt with 50% of any money raised by the Company from warrant exercise proceeds and from capital raise transactions, and (iii) issued Cobra an aggregate of 500,000 five year warrants with an exercise price of $3.04 per share which are identical to the Exchange Warrants. The Note Amendment was repaid out of the February 2025 Private Placement.

Management Initiatives

We have completed several initiatives to optimize our working capital requirements. We launched Groove, a new, innovative Greenlane Brands product line, and we also rationalized our third-party brands product offering, which enables us to reduce inventory carrying costs and working capital requirements.

In April 2023, we entered into two strategic. First, we entered into a strategic partnership (the "MJ Packaging Partnership") with A&A Global Imports d/b/a MarijuanaPackaging.com ("MJ Pack"), a provider of packaging solutions to the cannabis industry. Second, we entered into a strategic partnership with an affiliate of one of our existing vape suppliers ("Vape Partner") to service certain key customers with vaporizer goods and services (the "Vape Partnership"). As part of the Vape Partnership, we will introduce our Vape Partner to certain key customers, assist with the promotion and the sale of certain vaporizer goods and services, and help coordinate the logistics, storage and distribution of such vaporizer products. If our Vape Partner and key customer(s) enter into a direct relationship, the customers would directly purchase vaporizer goods and services, which we currently sell them, directly from our Vape Partner and we would no longer need to purchase such vape inventory on behalf of such key customer(s). In exchange we would earn quarterly and annual commission payments from our strategic partners. While the strategic partnerships may result in a decrease in top line revenue for these packaging and vape products, these partnerships combined with some of our other restructuring initiatives should allow us to reduce our overall cost-structure and enhance our margins, thereby improving our balance sheet

We have successfully renegotiated supplier partnership terms and are continuing to improve working capital arrangements with suppliers. We have made progress consolidating and streamlining our office, warehouse, and distribution operations footprint. We have reduced our workforce by approximately 43% throughout fiscal year 2024 to reduce costs and align with our revenue projections.

We have incurred net losses of $2.6 million and $4.5 million for the three months ended March 31, 2025 and 2024, respectively. For the three months ended March 31, 2025, cash used in operating activities was $3.4 million and cash used in operating activities for the three months ended March 31, 2024 was $0.1 million. The recent macroeconomic environment has caused weaker demand than contemplated under our business plan, resulting in a reduction in projected revenue and cash flows for the twelve-month period included in the going concern evaluation.

We believe that our cash on hand that includes cash raised in the February 2025 Private Placement and the cash flow that we generate from our operations will be sufficient to fund our working capital and capital expenditure requirements, as well as our debt repayments and other liquidity requirements associated with our existing operations, for the next 12 months. The Company's ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve the Company's liquidity and profitability, which includes, without limitation:

- Further reducing operating costs expense by taking additional restructuring actions to align cost with revenue to achieve profitability.
- Increasing revenue by introducing new products and acquiring new customers.
- Execute on strategic partnerships accretive to margins and operating cash
- Seeking additional capital through the issuance of debt or equity securities.

Our opinions concerning liquidity are based on currently available information. To the extent this information proves to be inaccurate, or if circumstances change, future availability of trade credit or other sources of financing may be reduced and our liquidity could be adversely affected. Our future capital requirements and the adequacy of available funds will depend on many factors, including those described in the section titled "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. Depending on the severity and direct impact of these factors on us, we may be unable to secure additional financing to meet our operating requirements on terms favorable to us, or at all.

As of March 31, 2025, we did not have any off-balance sheet arrangements that are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Cash Flows

The following summary of cash flows for the periods indicated has been derived from our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q:

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net cash used in operating activities	$ (3,445)	$ (81)
Net cash used in investing activities	$ (16)	$ (135)
Net cash provided by (used in) financing activities	$ 11,078	$ (92)

Net Cash (Used in) Provided by Operating Activities

During the three months ended March 31, 2025, net cash used in operating activities of approximately $3.4 million consisted of (i) net loss of $3.9 million, offset by non-cash adjustments to net loss of approximately $0.4 million, and (ii) a $0.1 million increase in working capital primarily driven by increases in accounts receivable, inventory and accrued expenses of approximately $0.2 million and decreases in customer and vendor deposits of approximately $0.3 million.

During the three months ended March 31, 2024, net cash used in operating activities of approximately $0.1 million consisted of (i) net loss of $4.5 million, offset by non-cash adjustments to net loss of approximately $0.3 million, and (ii) a $4.1 million increase in working capital primarily driven by increases in accounts payable, accrued expenses of approximately $1.7 million and decreases in inventories and other current assets of approximately $1.6 million.

Net Cash Used in Investing Activities

During the three months ended March 31, 2025, net cash used in investing activities of approximately $16,000 consisted primarily of capital expenditures.

During the three months ended March 31, 2024, net cash used in investing activities of approximately $0.2 million consisted primarily of capital expenditures.

Net Cash Used in Financing Activities

During the three months ended March 31, 2025, net cash provided financing activities of approximately $11.1 million primarily consisted of approximately $19.0 million in proceeds from our February 2025 private placement offset by $8.0 million in payments on our debt.

During the three months ended March 31, 2024, net cash used in financing activities of approximately $0.1 million primarily consisted of approximately $0.3 million in payments on loans against future accounts receivable and approximately $0.2 million in proceeds from future receivables financing.

Critical Accounting Policies and Estimates

See Note 2, "Summary of Significant Accounting Policies" of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q and Part II, Item 7, "Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2024 for descriptions of the significant accounting policies and methods used in the preparation of our Condensed Consolidated Financial Statements. There have been no material changes to the Company's critical accounting estimates since the Form 10-K for the year ended December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025. Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2025, our disclosure controls and procedures were not effective because of the material weaknesses in our internal control over financial reporting described in Item 9A of Part II of our Annual Report on Form 10-K for the year ended December 31, 2024, which have not yet been remediated as of March 31, 2025.

Material Weaknesses Remediation Plan and Status

As previously described in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2021, we began implementing a remediation plan to address the material weaknesses identified in the prior year, and our management continues to be actively engaged in the remediation efforts.

As previously disclosed, in 2020, we began a multi-year implementation of a new ERP system, which will replace our existing core financial systems, and which was completed in 2023. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures, based upon which, management focused its allocation of organizational resources to ensure the successful implementation of the new ERP system during 2023, and is continuing to add additional processes for the design and implementation of effective control activities. Conversely, management noted limited efforts related to re-designing user access roles and permissions in the legacy ERP system. Based on these considerations, and subject to management's ongoing assessment, we do not expect that the previously reported material weaknesses related to ineffective user access controls will be considered remediated until our new ERP system has been fully utilize to its potential and we have properly set controls in place. Additionally, to remediate the identified material weaknesses, we are continuing to take the following remediation actions:

- implement enhancements to company-wide risk assessment processes and to process and control documentation;
- enhance the Company's review and sign-off procedures for IT implementations;
- implement additional review procedures designed to enhance the control owner's execution of control activities, including entity level controls, through the implementation of improved documentation standards evidencing execution of these controls, oversight, and training;
- improve control activities and procedures associated with certain accounting areas, including proper segregation of duties and assigning personnel with the appropriate experience as preparers and reviewers over analyses relating to such accounting areas;
- educate and train control owners regarding internal control processes to mitigate identified risks and maintain adequate documentation to evidence the effective design and operation of such processes;
- and implement enhanced controls to monitor the effectiveness of the underlying business process controls that are dependent on the data and financial reports generated from the relevant information systems.

We are also continuing to evaluate additional controls and procedures that may be required to remediate the identified material weaknesses. We cannot provide assurances that the previously reported material weaknesses will be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control Over Financial Reporting

As discussed above, in 2020 we began a multi-year implementation of a new ERP system which fully replaced our legacy financial systems in 2023. The ERP system is designed to accurately maintain the Company's financial records, enhance the flow of financial information, improve data management and provide timely information to our management team. Subsequent to implementation of the new ERP system, we are continuing to change certain processes and procedures which, in turn, are expected to result in changes to our internal control over financial reporting. As such changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting.

There were no other changes to our internal control over financial reporting that occurred during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, see Note 7 of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 21, 2025, except as set forth below.

The Company has incurred net losses of $3.9 million and $4.5 million for the three months ended March 31, 2025 and 2024, respectively. For the three months ended March 31, 2025 and 2024, the Company used $3.4 million and $0.1 million in operating activities, respectively.

Our ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve our liquidity and profitability, which includes, without limitation:

- Further reducing operating costs expense by taking additional restructuring actions to align cost with revenue
- Increasing revenue by introducing new products and acquiring new customers.
- Execute on strategic partnerships accretive to margins and operating cash
- Seeking additional capital through the issuance of equity securities or obtaining debt financing.

There can be no assurance that any such measures will be successful. If we are not successful in improving our liquidity position and the profitability of our operations, we may need to consider all strategic alternatives, including seeking additional debt or equity capital, reducing or delaying our business activities and strategic initiatives, or selling assets, other strategic transactions and/or other measures, including receivership or, to the extent available, bankruptcy protection. In addition, the perception that we may not be able to continue as a going concern may cause vendors and customers to choose not to do business with us due to concerns about our ability to meet our contractual obligations. If we seek additional financing to fund our operations and there remains substantial doubt about our ability to continue as a going concern, our financing sources may be unwilling to provide additional funding to us on commercially reasonable terms or at all. The consolidated financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty. Such adjustments could be material.

We have failed, and may continue to fail, to meet the listing standards of Nasdaq, and as a result our Class A common stock may become delisted, which could have a material adverse effect on the liquidity of our Class A common stock.

If we fail to continue to satisfy the continued listing requirements of Nasdaq, such as the corporate governance or public float requirements, or the minimum closing bid price requirement, Nasdaq will take steps to de-list our Class A common stock. As a result of several factors, including but not limited to our financial performance, market sentiment about the cannabis industry, volatility in the financial markets generally due to the tightening of monetary policy by the Board of Governors of the United States Federal Reserve Bank (the "Federal Reserve") and other geopolitical events, events such as the ongoing wars around the world, the per share price of our Class A common stock has declined below the minimum bid price threshold required for continued listing. Such a de-listing would likely have a negative effect on the price of our Class A common stock and would impair your ability to sell or purchase our Class A common stock when you wish to do so, as well as adversely affect our ability to issue additional securities and obtain additional financing in the future.

On August 21, 2023, we received a letter from the staff of Nasdaq indicating that we were not in compliance with Nasdaq Listing Rule 5450(a)(1) because the closing bid price per share for our Class A common stock had closed below $1.00 for the previous 30 consecutive business days (the "Minimum Bid Price Requirement"). We were given 180 days, or until February 20, 2024 to regain compliance with the Minimum Bid Price Requirement. We also filed an application to transfer the listing of our Class A common stock from the Nasdaq Global Market to the Nasdaq Capital Market, which transfer was approved and occurred on February 9, 2024. As a result of the transfer, we became eligible to request an additional 180-day compliance period.

On February 21, 2024, Nasdaq notified us in writing that while we had not regained compliance with the Minimum Bid Price Requirement, we were eligible for an additional 180-day compliance period, or until August 19, 2024, to regain compliance with the Minimum Bid Price Requirement. Nasdaq's determination was based on us having met the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on The Nasdaq Capital Market, with the exception of the Minimum Bid Price Requirement, and on our written notice to Nasdaq of our intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary.

If we do not regain compliance during the second 180-day period, then Nasdaq will notify us of its determination to delist our Class A common stock, at which point we would have an opportunity to appeal the delisting determination to a hearings panel. We would remain listed on Nasdaq pending the hearings panel's decision. There can be no assurance that, if we do appeal the delisting determination by Nasdaq to the hearings panel, that such appeal would be successful.

On January 24, 2024, Gina Collins gave notice of her resignation from our Board of Directors and from each committee of the Board, effective immediately. Ms. Collins was an independent director, and as a result of her resignation, we no longer comply with the majority independent board requirement of Nasdaq as set forth in Nasdaq Listing Rule 5605(b)(1) because independent directors do not comprise a majority of the Board of Directors, and Nasdaq's audit committee requirements as set forth in Nasdaq Listing Rule 5605(c)(2)(A) because the Audit Committee of the Board of Directors is not comprised of at least three independent directors.

On January 29, 2024, in accordance with Nasdaq Listing Rules, we notified Nasdaq of Ms. Collins' resignation and the resulting non-compliance. On January 30, 2024, we received a notice from Nasdaq acknowledging the fact that we do not meet the requirements of such rules. In accordance with Nasdaq Listing Rules 5605(b)(1)(A) and 5605(c)(4), to regain compliance with the Nasdaq Listing Rules, we have until the earlier of our next annual stockholders meeting or January 24, 2025.

On April 18, 2024, we received a notice from Nasdaq stating that because we had not yet filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, we were no longer in compliance with Nasdaq Listing Rule 5250(c)(1). Nasdaq Listing Rule 5250(c)(1) requires listed companies to timely file all required periodic financial reports with the Securities and Exchange Commission.

On May 21, 2024, we received a notice from Nasdaq stating that because we had not yet filed our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024, we were no longer in compliance with Nasdaq Listing Rule 5250(c)(1).

The Company had 60 calendar days from April 18, 2024, or until June 17, 2024, to regain compliance by filing the Form 10-K and the Form 10-Q or to submit to Nasdaq a plan to regain compliance with the Nasdaq Listing Rules. We timely submitted the plan to regain compliance to Nasdaq and Nasdaq granted us additional time to file the Form 10K and 10Q and with this filing will have filed both the 10K and 10Q within the additional time period granted.

On May 5, 2025, Greenlane Holdings, Inc. received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq"), stating that based on its review of the Company's public filings with the Securities and Exchange Commission (the "SEC"), its staff has determined to delist the Company's securities pursuant to its discretionary authority under Listing Rule 5101. Specifically, as set forth in the letter, Nasdaq's staff determined that the Company's issuance of securities pursuant to the securities purchase agreement dated February 18, 2025, particularly the Series B warrants exercisable on an alternate cashless basis as described in the Company's prior SEC filings, raises public interest concerns because the issuance resulted in substantial dilution for its shareholders. Accordingly, as set forth in the letter, this matter serves as an additional basis for delisting the Company's securities from Nasdaq.

The letter serves as a formal notification that the Nasdaq Hearings Panel (the "Panel") will consider this matter in rendering a determination regarding the Company's continued listing on Nasdaq. Pursuant to Listing Rule 5810(d), the Company should present its views with respect to this additional deficiency at its upcoming Panel hearing.

The Company has submitted a compliance plan to the Panel. The Company is also in the process of applying for trading on the OTCQB market maintained by OTC Markets Group Inc. to address the risk of delisting from Nasdaq in the event of an unfavorable Panel decision.

New tariffs and the evolving trade policy dispute between the United States and China may adversely affect our business.

In 2018, the United States imposed significant tariffs on steel and aluminum imports from a number of countries, including China. These tariffs and the evolving trade policy dispute between the United States and China may have a significant impact on the industries in which we participate. Many of the products we sell, including without limitation, certain vaporizer products, aluminum grinders, paper products and plastic products, are subject to tariffs and such tariffs, along with resultant price increases, may negatively impact our pricing and customer demand for these products. In March and April 2025, the US announced a series of additional special tariffs. The additional special tariffs coupled with tariffs already in effect as of the date of this filing include at least a 145% tariff on substantially all products of Chinese origin. Some of these special tariffs on products of Chinese origin have been temporarily paused at 30%. A "trade war" between the United States and China or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the United States economy or certain sectors thereof and, thus, to adversely impact our businesses and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
4.1	Form of July 2023 Standard Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
4.2	Form of July 2023 Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
4.3	Form of July 2023 Warrant Amendment (Incorporated by reference to Exhibit 4.3 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
10.1	Form of July 2023 Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
10.2	Placement Agency Agreement, dated as of June 29, 2023 (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
10.3	Loan and Security Agreement, dated as of September 22, 2023, between Greenlane and Synergy Imports, LLC. (Incorporated by reference to Exhibit 10.3 to Greenlane's Quarterly Report on Form 10-Q, filed on January 9, 2024).
10.4	Secured Promissory Note, dated as of September 22, 2023, between Greenlane and Synergy Imports, LLC. (Incorporated by reference to Exhibit 10.4 to Greenlane's Quarterly Report on Form 10-Q, filed on January 9, 2024).
10.5	Asset Purchase Agreement, effective May 1, 2024, by and among Greenlane Holdings, Inc, Warehouse Goods LLC and Synergy Imports LLC (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
10.6	Loan Modification Agreement, effective May 1, 2024, by and among Warehouse Goods LLC, Synergy Imports LLC and the Guarantors as defined therein (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
10.7	Amended and Restated Secured Promissory Note, effective May 1, 2024, by Warehouse Goods LLC and Synergy Imports LLC (Incorporated by reference to Exhibit 10.3 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) Condensed Consolidated Statements of Stockholders' Equity, and (iv) Condensed Consolidated Statements of Cash Flows. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104*	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL.

* Filed herewith.

**Schedules and exhibits have been omitted from this exhibit pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	GREENLANE HOLDINGS, INC.
Date: May 15, 2025	By: */s/ Barbara Sher* Barbara Sher Chief Executive Officer (Principal Executive Officer)
	GREENLANE HOLDINGS, INC.
Date: May 15, 2025	By: */s/ Lana Reeve* Lana Reeve Chief Financial and Legal Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Barbara Sher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Greenlane Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Barbera Sher

Barbara Sher
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lana Reeve, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Greenlane Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Lana Reeve
Lana Reeve
Chief Financial and Legal Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Greenlane Holdings, Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Barbara Sher, the Chief Executive Officer of the Company, and I, Lana Reeve, the Chief Financial Officer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

/s/ Barbara Sher
Barbara Sher
Chief Executive Officer
(Principal Executive Officer)

/s/ Lana Reeve
Lana Reeve
Chief Financial Officer
(Principal Financial Officer)